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INDUSTRIAL DEVELOPMENT OF THE SOUTH.

BY THE HON. W. C. OATES, GOVERNOR OF ALABAMA.

OMITTING statistics, which often weary rather than instruct the reader, I will endeavor to interest him by giving a brief summary of what is going on in Alabama at present as a typical Southern state.

The first consideration looking to industrial development in any country is what advantages it has of climate, soil and fertility; the second is what natural resources it has to develop, and the third is the accessibility to markets. The answer to the last proposition may be briefly stated. Navigable streams are abundant throughout the Southern states, and the railroads are so numerous that the travel and traffic in some places scarcely support them. They have been built in anticipation of a more rapid development of the country than has taken place. Railroads will penetrate every neighborhood which has business enough to pay the road to come for it. The more important problem for the producer to solve in respect to transportation is how to reduce the cost so as to enable him to realize a reasonable profit on his product. This is frequently difficult because the railroad or other carrier must also realize a profit on its business. But as soon as the abundance of products enables the carrier to realize fair profits in the aggregate from small freight charges the problem is solved.

The financial panic which began in the latter part of 1892, and continued through the greater part of the two succeeding years, suspended three-fourths of the great industries of the State, especially in the mineral section. It broke banks and business houses formerly in good repute. Mines and factories which withstood the financial storm ran on short time and reduced wages, which caused strikes among the laborers and resulted in a

further loss of employment. There was general depression in business. The products of toil commanded very low prices. No demand; no price. Those who possessed money had no confidence in any securities or any investments open to them. Values of all kinds of property shrank until it became unsaleable at any price. In the boom towns those who were rich in 1891-2 saw their fortunes wither and dry up. The farmer had plenty to eat, but no money with which to buy luxuries or to pay his debts.

Strong men, in many cases, begged for employment and could not obtain it. At the poor wife and hungry children want stared and grinned like a gaunt spectre which prided itself in tantalizing the unfortunate suffering innocents. But the generous-hearted dispensed charities, and suffering was partially relieved. There was no money, or but little, in circulation. Everything seemed flat, stale and unprofitable. The people believed that the trouble was chargeable to our financial system. They demanded more money—greenbacks and the free coinage of silver; anything for relief from the hard conditions. But how changed is the country now! It is not so prosperous nor is money so plentiful as I would like to see; but there is a wonderful revival of business.

The corn crop never was surpassed in the Southern states. All observers know *that* surely betokens plenty of "hog and hominy," facilitates stock raising and places the people of all classes above want in the way of a plain subsistence. The crops of small grain have yielded fairly well. Melons, peaches, pears, grapes, berries and garden vegetables of every variety have been most abundant and of excellent maturity and sweetness. As an illustration, a gentleman informed me that from one acre of grapes this year he had sold \$100 worth of the fruit and made two barrels of wine.

The great staple crop—cotton—was injured in some states by too much rain. It is essentially a sun plant, but a fair crop is matured and two-thirds gathered. A less acreage was planted than last year, and a less amount of commercial fertilizer was used on this year's crop than on that of last year because the prices of cotton ruled so low last year that it admonished the prudent farmer to make cotton his surplus crop and to produce that, if possible, at a less cost than formerly. These causes surely make the crop of this year two and a half million bales less than that of last year.

This will, however, make but little difference to the farmer,

who is not in debt, and that difference will be in his favor. A shorter crop insures higher prices and brings him more money in the aggregate for a crop which cost him less to produce than that of last year. It is better for him. The condition of the southern farmer has greatly improved, and is well calculated to bring to him contentment and happiness. Low prices for cotton hurt none of them except such as are in debt, and are being eaten up by interest running against them. They want to realize the greatest number of dollars for their toil—any kind of dollars which will pay their debts. An understanding of the whole financial question consists mainly in a proper understanding of interest. But the number of Southern farmers, who are hopelessly in debt, is greatly diminishing, and the present good prices for cotton will bring them out.

The southern tier of counties in Alabama, Mississippi and Georgia have extensive forests of yellow pine. The same may be said of West Florida. The lumber industry in these, which has been partially suspended for the last two years, is now fairly active. Turpentine orchards, distilleries and saw mills abound. They employ thousands of laborers at fair wages. The lands are light gray sandy loam and when denuded of the timber are settled and cultivated in small farms. With moderate fertilization they produce cotton, corn, oats, sweet potatoes, sugar cane, tobacco, melons and a great variety of vegetables in paying quantities.

The next tier of counties running through these States just above the first named from west to east is called "The Black Belt" not so much because a large percentage of the population is black, perhaps, as because the soil is dark, stiff and very productive. These lands were held principally by slave owners prior to the war, were splendidly cultivated and yielded great profits. The large plantations are now being cut up into smaller farms and the numerous steam cotton ginneries, pickeries, compresses and cotton seed-oil mills, to say nothing of the new cotton factories and villages formed around them, indicate that the people are appreciating their natural advantages and turning them to good account. Every man without regard to his color who is willing to labor finds ready employment at living wages.

The next or third tier of counties, adjoining on the north those last named, and embracing about one-third of the territory

of the State, is hilly and mountainous. It is known as the Mineral Belt. In the valleys are many fertile and beautiful small farms and happy homes. Within this section are vast coal fields, iron ore and a very considerable quantity of marble, limestone and other valuable minerals. Gold has long been known to exist but not yet discovered in paying quantities. Aluminum, mica, topaz and diopside are found in some of these counties.

A large number of iron furnaces, pipe works, rolling mills, box-car and car-wheel factories are within this belt.

Where, during the panic, mines were closed, furnaces smokeless, mills and factories noiseless, now the mines are putting out every ton of coal possible, the factories, mills and foundries give forth the hum of engines, wheels and hammers; the glare of acres of coke ovens and the furnaces light up the country for miles around, both day and night, while their tall chimneys with their splendid plumes of black smoke ascending heavenward proclaim to the world that there are thousands of busy men there and no enforced idleness. The increased demand for coal, pig iron, cotton and other products at remunerative prices has resuscitated dead enterprises, stimulated this activity in business and has enabled employers to increase the wages of their employees. Thus it proves a blessing not only to invested capital but makes the homes of thousands of laborers happy and attractive.

The mines, furnaces, mills, foundries and factories, with but few exceptions, at Birmingham, Anniston, Talladega, Sheffield, Florence, Gadsden, Jasper, and in Bibb, Shelby and DeKalb counties, are now in active operation. The natural resources are exhaustless. On one side of Birmingham there is a mountain of iron ore over fifty miles long, on the other side a vast field of coal, and nearby another mountain of limestone for fluxing. Thus Nature placed there in touch with each other all the materials for the manufacture of pig iron, without limit, cheaper than it can be done anywhere else in the world. There are three coalfields in Alabama, the Warrior, the Cahaba, and the Coosa, which together contain coal enough to supply the entire world, at the present rate of consumption, for a period of 150 years. Accurate surveys, made by competent geologists, demonstrate that the amount is even greater than this estimate.

The success of one more experiment, which is under way at Birmingham and Bessemer, will develop an indescribable mine of

wealth, that is, the manufacture of steel from the pig iron made there. Many tons of the pig iron have recently been shipped to Pittsburg, Pa., for experiment, and the report is that it makes a good quality of steel. The greatest profit is always realized from the finished product.

The Tennessee Coal and Iron Company is perhaps the largest corporation engaged as its name indicates. It did not close operations during the panic, but its stock ran down in the market to a merely nominal figure. Now it is quoted at 46 cents in the dollar. It employs 4,000 men, and does an immense business. The Sloss Company also survived. It owns several furnaces and the coal mine at Coalburgh, and does a large and fairly profitable business. There are many smaller enterprises of similar character in that vicinity.

At Anniston, before and during the war, there was one iron furnace, known as the Woodstock furnace. Now there are two new ones and two more on the same vein of ore in the neighborhood of Talladega. A first-class quality of charcoal iron is made at Anniston and, during the war, when the ports of the Confederate government were blockaded so that we could not obtain guns from abroad of any description, this iron was shipped by rail to the foundry and gun shops at Selma on the Alabama River, and cast into cannon.

In addition to the furnaces, there is at this town a factory of box-cars and car-wheels, rolling-mills and a cotton factory which ships its goods in unbroken packages to China. There are also extensive pipe works there, which recently underbid all competitors, and obtained a contract to supply a large amount of pipe to Tokio, Japan. Business generally, after an almost entire suspension, is rapidly regaining its former activity.

Gadsden, in Etowa County, several miles further north, is a central point with many industries which were shut down during the panic, every one of them, until about the beginning of the present year. Since that date there has been located there a cotton mill of 30,000 spindles, at a cost of over a half million dollars, and will be in full operation within a few days.

The Southern Manufacturing Company, started last February, is running full time, and has more orders on hand than it can fill in six months. The Long Leaf Pine Lumber Company's mills are busy.

The Kyle Lumber Company's mills, with a capacity of 40,000

feet per day, have all the work they can do. The bottling establishment is busy. The Weller pipe works, which have been idle for two years, have just gone into operation again. This year a furniture factory has been established which now has travelling agents in several states selling its products. The old suspended iron furnace has been bought by a solvent company, and its capacity is being increased to two hundred tons, and is now about being put in blast.

The Elliott Car and Car Wheel Manufacturing Company is now running full time with a force of 300 hands, and has about as many orders as can be filled with the present force in two years.

Arrangements are in progress to reopen and to begin operations of the Crudup ore mines with upwards of 300 miners. Other industries of a smaller character are projected.

To the West of Birmingham is Jasper in Walker County. It is surrounded by coal mines and other important industries which are now revived and active.

The fourth tier of counties in Alabama, eight in number, are properly called the Tennessee Valley, as they lie along the river of that name. The country is picturesque and beautiful, its soil very fertile and produces nearly everything grown in the South. Jackson County has but little manufacturing but is a very attractive agricultural section. Huntsville, in Madison County, is the largest town in the valley. It has a large and profitable cotton factory and other important industries. Florence, in the northwestern corner county of the State, is beautifully situated and has within it several industries worthy of note. These were paralyzed by the panic like the others already mentioned. There is a spathite furnace well adapted to the production of spathite iron which has gained quite a reputation with foundry men on account of its fluidity, which is equal to the best of that class produced in Scotland.

The Philadelphia furnace which cost about \$250,000 will go into blast within a few days.

The Pump and Lumber Company, whose plant cost but \$30,000, employs eighty operatives within, and 200 lumbermen outside, obtaining material, etc., and the finished product is 5,000 pumps and 3,000 veranda columns, a large quantity of moulding and other building supplies per month. The company pays good wages and realizes a handsome net profit.

The wagon factory, with an invested capital of \$100,000, gives employment to about 125 laborers, and turns out 140 to 150 wagons per week, for which a ready market is found.

A cotton factory, a small stove factory, a hoop factory, planing mills and grist mills are in active operation and paying fairly well.

Sheffield, just across the river from Florence, was a boom town which the panic killed, but phoenix-like it is rising from its own ashes. Its furnaces and great industries are reviving and breathing new life. There is a great future for this beautifully located town. Tuscumbia on the south and Florence on the north within two or three miles of it are its rivals for business.

Decatur is another boom town whose growth was stopped by the panic. The limits of old Decatur were too contracted when the boom struck it, and hence New Decatur was laid out and partially built up. All the manufacturing enterprises went down before the financial gale. The shops of that great line of enterprising, thrifty and well-managed railway, the Louisville and Nashville, was about the only survivor. But what is the present condition? The box car manufacturing plant, which cost a half million dollars, is still closed and silent; but the car-wheel factory near by has resumed operations with a full force and is doing well. The Southern chair works is a small but important and prosperous industry.

The oak extract factory, a new industry, is turning out 160 barrels per day of tanning which is shipped to several different parts of the country. The same company is erecting in close proximity an extensive tannery with capacity for tanning 200 hides per day.

Near the same locality parties are projecting the erection at an early day of a starch factory, the plant to cost one million dollars. This will furnish a market for part of the surplus crops of corn and potatoes produced in that neighborhood. No country surpasses Alabama in the production of the sweet potato which contains more starch than the Irish potato, and hence is more desirable for the starch factory.

Cullman on the Louisville and Nashville Railroad, south of Morgan, the county in which Decatur is, was supposed to have such a poor soil as to be worthless for agricultural purposes. John J. Cullman brought a colony of his countrymen—Germans—there after the war, and settled them in the woods. They

had to build their homes and clear up the lands. To-day that county is filled with beautiful little farms, and thrifty industrious farmers. Within the county more grapes are grown, and more and better wine made from them, than in any other county in this State.

Opelika, Union Springs, Eufaula, Columbia, Tallassee, Prattville, Selma, Tuscaloosa and many other places within the State have cotton factories and other paying industries.

At Montgomery, the historic and beautiful capital city, there are half a hundred manufacturing enterprises, great and small, in operation, and no person who wishes to earn his living by honest toil need beg, but can find remunerative employment.

At perhaps one hundred towns in the State the hum of the spindles and the clangor of the looms of the cotton factories will be heard by the close of the present year. They pay from six to ten per cent. dividends and diversify our industries. When we equal New England mills in the production of the finely finished product the dividends will be more than doubled.

Mobile, a lovely city of most hospitable people, is our only seaport and is destined to become the mistress of the Gulf. Her channel has been improved until vessels drawing 24 feet 10 inches of water can enter and depart at high tide. When the locks and dams on the Warrior River are completed coal can be delivered on board ships in the harbor for two dollars per ton or less. When the Nicaragua Canal is completed, as it surely will be, Mobile will become the great entrepôt for all shipments from as far north as Chicago to China and Japan and for a good portion of those for the California Coast. There is not a coast town in the Southern States which to-day has such a splendid commercial future as Mobile.

The frequency of elections gives the people incessant political fermentation, because ambitious men are always "laying their pipes" and maturing schemes for some preferment next year or the year after. An election once in three or four years would be better for the people. The only live political question now for the politicians to discuss is the free coinage of silver. There are many good honest people in the South who believe that the free and unlimited coinage of silver would do more to restore prosperity to the country than anything else. The politicians have so taught them.

Aspirants for office are discussing it pro and con. The people go out and hear the speeches and read the newspapers, and many of them are confused and undecided on account of the great difference of opinion among speakers, writers, and trusted party leaders. They want plenty of good, honest money to do the business of the country. They don't care what the standard is, so long as parity is maintained, and the gold, silver, and paper dollar possess equal purchasing and debt-paying power. With this state or condition of the money of the country, if the people can have prosperous times, they are content. Free and unlimited coinage of silver would not place an additional dollar in the pockets of him who has no silver bullion to coin. If a mill grinds grain free of toll for all comers it will not give any flour or meal to him who has no grain to take to the mill. No one in the Southern states owns any silver bullion. There is no silver mine within them. How then would free and unlimited coinage put any more money into circulation there? If it would cause a great quantity of silver to be coined at the present ratio it would drive gold out of circulation, in accordance with Gresham's universal law. It would thereby destroy parity and force our metallic dollars to part company and gold to go to a premium.

Our Southern people, with few exceptions, are not "gold bugs" nor "silverloons," but true bimetallists. They want all the silver that can be kept on a parity with gold, which the administration is struggling to do by means which the President believes best calculated to accomplish it.

The people, from a careful study of the question, are beginning to doubt and grow distrustful of the experiment of free coinage of silver lest it may, if adopted, beget another panic, or so impair confidence as to roll back the tide of prosperity which is now setting so beautifully towards them.

They are now beginning to lave in its placid and refreshing waters. Let the tide rise which, "taken at the flood, leads on to fortune."

WM. C. OATES.